



## Department of Administrative Services

### Interdepartmental Memo

Interoffice Address: CAB-607-10

December 14, 2005

To: Board of County Commissioners

From: Eric Stuckey, Interim County Administrator

Subject: 2006 Recommended Budget Changes and Open Issues

In anticipation of the adoption of the 2006 budget on Monday, December 19<sup>th</sup>, I am forwarding to you updated budget information. Included in this packet is a spreadsheet containing the changes made to all funds since the budget was presented. A description of each change is included. The following is a summary of adjustments previously approved by Board action or additional recommendations following feedback from departments and additional budget staff review.

#### General Fund Summary

##### Revenue/Resources:

Recommended total resources – 11/29/05	\$251,303,619
Additional GF Property Tax – Reappraisal (approved 12/7/05)	2,265,502
Sheriff - Anderson Park Patrol Reimbursement	<u>60,000</u>
<b>Total Revised Resources</b>	<b>\$253,629,121</b>

##### Expenditures:

Recommended Expenditures – 11/29/05	\$249,970,763
Transfer to Children's Service to keep Property Tax within inflation (approved 12/7/05)	2,129,258
Reduction to Regional Planning Subsidy (approved 12/7/05)	(152,942)
Auditor – Payroll Contract and Postage	105,000
Probation – Mental Health Contract	100,000
Sheriff – Anderson Park Patrol	60,000
Sheriff – Prisoner Transport and vehicle repair	60,000
Sheriff – Rent	2,000
Veterans Services – required commissioner training	<u>2,800</u>
<b>Subtotal</b>	<b>\$252,276,879</b>

##### Additional Positions:

Coroner – Forensic Assistant/Investigator (net of costs shifted out of the general fund)	\$28,000
Sheriff – Clerk for sex offender tracking	<u>40,000</u>
<b>Subtotal</b>	<b>\$68,000</b>

Revised Expenditures	\$252,344,879
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<b>Revenue vs. Expenditures – available to Reserves</b>	<b>\$951,243</b>
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**Explanations:**

**Property Tax inflation adjustment.** As a part of the Board's budget goal to keep spending and taxes within the rate of inflation, actions were taken by the Board to keep the growth of the general fund property tax (inside millage) from exceeding inflation. The mechanism recommended by the Budget Commission and staff was to reduce a Board-controlled levy (Children's Services) which would then be reimbursed through a general fund transfer. This will prevent another taxing district from utilizing the inside millage capacity and thus keep property payers from realizing the benefit of the Board's actions. This does result in an addition "expense" to the general fund due to the transfer to Children's Services of \$2.1 million. For the purpose of calculating the Board's goal of keeping general fund expenditure growth to 1%, it is recommended that we net out this transfer. This would result in a net expenditure growth of 0.4% compared with the 2005 budget.

**Anderson Park District patrol deputy.** The Anderson Park District has requested the assignment of an additional Sheriff's deputy. The Park District will fully reimburse the county for the cost of the position.

**Regional Planning subsidy reduction.** At the December 7, 2005 Board meeting, Regional Planning discussed its ability to reduce the 2006 subsidy by liquidating various contracts. The Board indicated its agreement with this reduction.

**Auditor payroll contract and postage.** The Auditor's budget had been reduced the contractual requirements of the payroll provider. An addition \$95,000 is needed. Also, an addition \$10,000 is required in postage to fund mandated mailings by the Auditor.

**Probation mental health contract.** The Alternative Interventions for Women (AIW) program is run by the Court Clinic through an existing contract approved by the Board in February 2004 that runs through January 2009 with an estimated annual maximum in 2006 of \$425,000. The spending history indicates the contract will be fully utilized and the current recommended amount of \$325,000 is insufficient to meet our contract obligation. Therefore, an additional \$100,000 is needed. Services are provided to women with co-occurring disorders who are on probation and might include assessment, mental and behavioral health treatment, IQ testing, etc

**Sheriff – prisoner transportation and vehicle repair.** Expenditure trends for 2005 and over the past several years demonstrate the need to increase the prisoner transport line item by \$45,000 and vehicle repair by \$15,000.

**Sheriff – rent.** Rent in 2006 for leased space by the organized crime unit is \$2,000 higher than 2005 rate.

**Veterans Services required training costs.** An additional \$2,800 is needed to fund required training of Veterans Services Commission members.

**Additional Positions:**

**Coroner-** The Coroner's office is requesting a hybrid position – Forensic Assistant/Investigator. Salary and benefits for this position are approximately \$56,000.

The Coroner originally requested an investigator and a forensic assistant. During his hearing he suggested that the request be amended to a combined position. A recent change in the statute requires the Coroner's office to investigate the deaths of the mentally retarded and

those with other developmental disabilities. Due to these additional responsibilities, the current staff of 4 investigators is not sufficient to handle the increase in workload. In comparison to other counties, Hamilton County is currently well below the staffing of other urban counties. Franklin County and Montgomery County have 10 and 9 investigators respectively to handle a comparable workload.

During 2003, the Dr. Parrott reduced the Forensic Assistant staff from 4 to 3. Due to this reduction, overtime is used during sick and vacation absences. The Forensic Assistant is responsible for assisting the pathologist, releasing bodies, computer entries, answering the telephone, and autopsy suite maintenance

Dr. Owens feels this hybrid position is necessary to continue to serve the needs of the office. Dr. Owens has agreed to shift \$28,000 of general fund expenditures to the coroner's restricted fund. This reallocation of funds would reduce the impact of this new position on the general fund by \$28,000.

**Sheriff – Clerk for sex offender tracking-** Recent State changes to sex offender registration and community notification requirements have caused substantial increases in workload for this area of the Sheriff's office. Registrations processed by this section (projected at over 3,000 in 2005) have doubled since 2003 and is six times higher than 1999. The new position will allow personnel in central warrants, identification and records to complete their regular duties instead of supplementing the current staff in sexual offender registration. The cost of this new position would be \$40,000.

### **Other Issues**

**Over-the-Rhine Patrols.** Earlier this year, the Sheriff proposed a pilot program for patrols of the Over-the-Rhine (OTR) area of Cincinnati. The Sheriff's office estimated the cost of the program to be \$1.5 million. The Sheriff is not willing to perform these patrols if deputies will be subject to the terms of the collaborative agreement entered into by the City of Cincinnati. Through the prosecutor's office, the sheriff has petitioned the federal courts regarding the application of the collaborative agreement. Should the program move forward, funding could be provided in the following manner:

- **Unspent funds from 2005.** In making the proposal, the Sheriff suggested that unspent funds, estimated at \$930,000 from 2005 be utilized. This could be used, but would have this impact of reducing the projected general fund reserves.
- **Available resources within the recommended 2006 budget.** The current recommended budget contains \$951,243 of capacity (revenue over expenditures). If \$570,000 were diverted into the OTR patrol program, this would leave \$381,243 to be contributed to the general fund reserves during 2006. The net impact of using the unspent Sheriff's budget and the \$570,000 of 2006 capacity would be a net reduction of the projected general fund reserves of \$1.5 million from \$30 million to \$28.5 million. During 2006, there will be other opportunities for the County to add to its reserves significantly. These opportunities include the potential transfer of the Drake property to the Health Alliance and the possible financing of the repayment of the \$19.4 million note for public safety radios which will be due in late 2006.

Given the uncertainty of this initiative, funding could be held in reserve pending the response of the federal court. Should the patrols be advanced, it is recommended that the impact be tracked closely to judge if the patrols should become an ongoing County initiative.

**Court of Appeals travel.** Attached is a request from the Court of Appeals requesting that \$2,000 be allocated to each judge for travel. This would equate to a budget increase of \$7,500. I have responded to the Court Administrator stating reducing travel expenditures has been specifically addressed in the Board's budget goals and that I would not add to their travel budget without Board approval.

**Court budget concerns.** Last week, Court Administrator Mike Walton sent a letter to budget office expressing concerns regarding the assumed 5% vacancy rate and the transfer of \$320,000 to the general fund from probation fees. In terms of vacancy, I have conveyed to Mr. Walton that we are using a historical rate across all county departments and that we would not be making an exception at this point. As a policy, we have worked with departments on this issue as turnover does not occur equally across departments and budget adjustments may be necessary late in the year. These adjustments can be made as long as departments have lived within their personnel budgets in terms of employee increases and maintaining the number of budgeted positions. In terms of the probation fund transfer, there has been an understanding beginning in 2005 between the courts and the budget office that ongoing, annual transfer between probation and the general fund would take place. The exact amount has not been identified. My recommendation reflects our best estimate of funds available for transfer. We will work with Mr. Walton and staff to identify the appropriate amount during the year.

### **Budget Questions and responses**

In response to questions asked by Commissioners' offices, the following information is provided:

1. **Indexed fees-** At Wednesday's meeting, the Homebuilder's Association raised an objection to the indexing of certain fees. In addition, Commissioner Heimlich and DeWine's offices have asked that we verify our overall compliance with the goal of staying within the rate of inflation. Overall, revenue generated by fees is within the currently inflation rate of 4.1% (Midwest Urban CPI). Total revenue generated from fees in the general fund is increased 3% (2006 recommended budget of \$55.6 million compared to \$54 million projected in 2005).

As was discussed at today's meeting, the current system could be maintained for 2006 with the Economic Development Task Force providing a recommendation for the 2007 budget. This would provide the ability to the task force and County staff to take a more comprehensive view of how fees are structured.

2. **Stormwater Development Fees.** Concerns have been raised regarding potential development fees resulting from newly required inspection activity. The recommended budget includes the full cost of the required inspection activities. The updated regulations including a proposed fee schedule will be brought before the Board for consideration during early 2006. An initial estimate of \$282,000 has been estimated for these inspection services provided by Public Works and Soil and Water. It is my understanding that generally the Stormwater District favors an approach that has the developers bear the direct cost of the services and not have rate payers subsidize developer activities.
3. **OTR Chamber/Patrol, USAR, Swat Funding-** These activities are funded in the 2006 budget: OTR at \$100,000, USAR at \$30,000, and SWAT at \$6,000.

**Adjustments to other funds**

Attached is a spreadsheet that summarizes adjustments made various funds since the recommended budget was advanced to the Board on November 29<sup>th</sup>.

**Board Direction.** We ask that you provide direction on these matters at your earliest possible convenience. If at all possible, we would like feedback by noon on Friday so that we can prepare the appropriate legislation for Monday morning. As an alternative, we will also prepare base budget documents for Monday that can be amended by resolution and adapted to reflect your budget decisions.

Please let me know if you have any questions or need additional information. Thank you for your consideration.

Respectfully submitted,

*Eric*

Eric S. Stuckey  
Interim County Administrator